9

10

## WHAT IS CLAIMED IS:

| 1 | 1. A method for optimizing a supply to meet a demand comprising the steps of:        |
|---|--|
| 2 | determining a parts demand;  |
| 3 | determining a machine supply;  |
| 4 | maintaining a database of machine supply information, the machine supply             |
| 5 | information including, for each of a plurality of machine types, a number of machine |
| 6 | said machine type in the machine supply, a set of part types in said machine type, a |

s of said machine type in the machine supply, a set of part types in said machine type, a 7 corresponding monetary value for each part type, and a number of each part type in said machine type;

configuring an optimal dismantling configuration of the machine supply to meet the parts demand as a function of the machine supply information.

- 1 2. The method of claim 1 further comprising determining at least a portion of the parts 2 demand that cannot be satisfied from the machine supply.
- 1 3. The method of claim 1 wherein the determining a parts demand step further 2 comprises determining an internal demand and an external demand.
- 1 4. The method of claim 1 further comprising determining at least a portion of the 2 machine supply that is not economically justified for dismantling.
- 1 5. The method of claim 4 wherein the determining at least a portion of the machine
- 2 supply that is not economically justified for dismantling further comprises determining
- 3 whether parts profit of a particular machine type is a predetermined percentage greater
- 4 than machine profit of a particular machine type.

- 1 6. The method of claim 5 further comprising determining parts profit by adding an
- 2 average machine net investment book value to a total parts de-manufacturing expense to
- produce a sum, and subtracting the sum from a total valued parts with external demands
- 4 average fair market value.
- 7. The method of claim 5 further comprising determining machine profit by adding the
- 2 average net investment book value of the particular machine type to a total
- 3 re-manufacturing expense for the particular machine type to produce a sum, and
- 4 subtracting the sum from an average fair market value for the particular machine type.
- 8. The method of claim 4 wherein the determining at least a portion of the machine
- 2 supply that is not economically justified for dismantling further comprises determining
- whether parts profit of a particular machine is greater than machine profit of the particular
- 4 machine.
- 9. The method of claim 8 wherein the parts profit is determined by adding a machine
- 2 average net investment book value to a total parts de-manufacturing expense to produce a
- 3 sum, and subtracting the sum from a book value, the book value equal to the total parts
- with internal demands average net investment book value with a cost adjustment to the
- 5 net investment book value.
- 1 10. The method of claim 8 wherein the machine profit is determined by adding the
- 2 particular machine type average net investment book value to a total machine
- 3 re-manufacturing expense to produce a sum, and subtracting the sum from an average fair
- 4 market value of the particular machine type model.
  - 11. The method of claim 1 further comprising:

| determining a corresponding parts supply from the machine supply; and, |   |  |  |
|--|---|--|--|
| 3  | matching the corresponding parts supply to the parts demand.                              |  |  |
| 1  | 12. The method of claim 11 wherein the determining a corresponding parts supply           |  |  |
| 2  | further comprises the steps of:   |  |  |
| 3  | determining the part types in a particular machine type;                                  |  |  |
| 4  | determining the number of each of the part types in a particular machine type;            |  |  |
| 5  | and,  |  |  |
| 6  | multiplying the number of each of the part types in a particular machine type by          |  |  |
| 7  | the number of machines for the particular machine type in the machine supply.             |  |  |
| 1  | 13. The method of claim 11 further comprising:  |  |  |
| 2  | generating a covered parts list and a not-covered parts list if the part supply is        |  |  |
| 3  | less than the parts demand; and,  |  |  |
| 4  | wherein the configuring step comprises:   |  |  |
| 5  | determining the optimal dismantling configuration of the machines in the                  |  |  |
| 6  | covered parts list; and,  |  |  |
| 7  | determining the optimal dismantling configuration of machines to harvest                  |  |  |
| 8  | from the not-covered list.  |  |  |
| 1  | 14. The method of claim 13 wherein the covered parts list is divided into an internal and |  |  |
| 2  | an external list.   |  |  |
| 1  | 15. The method of claim 1 wherein the optimal dismantling configuration is determined     |  |  |
| 2  | by linear programming.  |  |  |
| 1  | 16. The method of claim 1 wherein the optimal dismantling configuration is determined     |  |  |

- 2 by maximizing a summation formula for revenue considering a number of factors for a
- 3 part j and a machine i.
- 1 17. The method of claim 16 wherein the factors are:
- 2 revenue from parts j sales (RV<sub>1</sub>);
- net investment cost of machine (TC<sub>i</sub>);
- 4 processing cost of de-manufacturing machine i (PC<sub>i</sub>);
- 5 total supply of machine  $i(S_i)$ ;
- 6 netted demand of part  $j(D_i)$ ;
- 7 parts not utilized  $(W_{ij})$ ;
- 8 parts fulfillment  $(X_{ij})$ ;
- 9 machines required to fulfill the desired parts (Y<sub>1</sub>).
- 1 18. The method of claim 17 wherein the summation formula is:

$$\sum_{i} \sum_{J} (RV_{J} \bullet \{X_{J}\}) - \sum_{I} (TC_{I} \bullet \{Y_{I}\}) - \sum_{I} (PC_{I} \bullet \{Y_{I}\})$$

- 1 19. The method of claim 1 wherein the machine supply information further comprises
- the number of parts for each of the part types in each of the machine types.
- 1 20. The method of claim 1 wherein the machine supply information further comprises a
- 2 forecast of machines expected to be available at a predetermined time.
- 1 21. The method of claim 1 wherein the machine supply information further comprises an
- 2 estimated number of parts for each of the part types in each of the machine types.
- 1 22. The method of claim 1 wherein the machine supply information further comprises

- 2 fair market value of the part types and fair market value of the machine types.
- 1 23. The method of claim 1 wherein the machine supply information further comprises
- 2 costs of de-manufacturing a specific machine type.
- 1 24. The method of claim 1 wherein the machine supply information further comprises
- 2 data on the quality of parts yielded from de-manufacturing a specific machine type.
- 1 25. The method of claim 1 wherein the machine supply information further comprises
- 2 codes for options on each of the machine types.
- 1 26. The method of claim 1 wherein the machine supply information further comprises
- 2 quality of each of the machine types.
- 1 27. The method of claim 1 wherein the machine supply information further comprises
- times for demanufacturing cycles of a particular machine type.
- 1 28. The method of claim1 wherein the machine supply information further comprises
- 2 times for refurbishing cycles of a particular machine type.
- 1 29. The method of claim 1 wherein the machine supply information further comprises
- 2 repair costs for each of the part types.
- 1 30. An economic supply optimization system comprising:
- 2 a processor;
- a data storage device operably connected to the processor, the data storage device
- 4 providing data storage for the system;

| 5  | a database of machine supply information on the data storage device, the machine          |  |  |
|----|---|--|--|
| 6  | supply information including, for each of a plurality of machine types, a number of       |  |  |
| 7  | machines of said machine type in the machine supply, a set of part types in said machine  |  |  |
| 8  | type, a corresponding monetary value for each part type, and a number of each part type   |  |  |
| 9  | in said machine type;   |  |  |
| 10 | a program executable by the processor to  |  |  |
| 11 | determine a parts demand;   |  |  |
| 12 | determine a machine supply; and,  |  |  |
| 13 | configure an optimal dismantling configuration of the machine supply to                   |  |  |
| 14 | meet the parts demand as a function of the machine supply information.                    |  |  |
| 1  | 31. The system of claim 30 wherein the program is further executable to determine at      |  |  |
| 2  | least a portion of the parts demand that cannot be satisfied from the machine supply.     |  |  |
| 1  | 32. The system of claim 30 wherein the program is further executable to determine at      |  |  |
| 2  | least a portion of the machine supply that is not economically justified for dismantling. |  |  |
| 1  | 33. The system of claim 32 wherein the economic justification further comprises parts     |  |  |
| 2  | profit of a particular machine type being a predetermined percentage greater than machine |  |  |
| 3  | profit of a particular machine type.  |  |  |
| 1  | 34. The system of claim 33 wherein the parts profit is determined by adding an average    |  |  |
| 2  | machine net investment book value to a total parts de-manufacturing expense to produce    |  |  |
| 3  | a sum, and subtracting the sum from a total valued parts with external demands average    |  |  |

1

fair market value.

- 2 average net investment book value of the particular machine type to the total
- 3 re-manufacturing expense for the particular machine type to produce a sum, and
- 4 subtracting the sum from an average fair market value for the particular machine type.
- 1 36. The system of claim 32 wherein the economic justification further comprises parts
- 2 profit of a particular machine being greater than machine profit of the particular machine.
- 1 37. The system of claim 36 herein the parts profit is determined by adding a machine
- 2 average net investment book value to a total parts de-manufacturing expense to produce a
- 3 sum, and subtracting the sum from a book value, the book value equal to a total parts with
- 4 internal demands average net investment book value with a cost adjustment to the net
- 5 investment book value.
- 1 38. The system of claim 36 wherein the machine profit is determined by adding the
- 2 particular machine type average net investment book value to a total machine
- 3 re-manufacturing expense to produce a sum, and subtracting the sum from an average fair
- 4 market value of the particular machine type model.
- 1 39. The system of claim 30 wherein the program is further executable to:
- determine a corresponding parts supply from the machine supply; and,
- 3 to match the corresponding part supply to the parts demand.
- 1 40. The system of claim 39 wherein the program is further executable to determine the
- 2 corresponding parts supply by:
- determining the part types in a particular machine type;
- determining the number of each of the part types in a particular machine type;
- 5 and,

| 5 | multiplying the number of each of the part types in a particular machine type by |
|---|--|
| 7 | the number of machines for the particular machine type in the machine supply.    |

- 1 41. The system of claim 39 wherein the program is further executable to:
- generate a covered parts list and a not-covered parts list if the parts supply is less than the parts demand, and to configure the optimal dismantling configuration by:
- determining the optimal dismantling configuration of the machines in the covered parts list; and,
- determining the optimal dismantling configuration of machines to harvest from the not-covered list.
- 1 42. The system of claim 41 wherein the covered parts list is divided into an internal and 2 an external list.
- 1 43. The system of claim 30 wherein the optimal dismantling configuration is determined by linear programming.
- 1 44. The system of claim 30 wherein the optimal dismantling configuration is determined 2 by maximizing a summation formula for revenue considering a number of factors for a 3 part j and a machine i.
- 1 45. The system of claim 44 wherein the factors are:
- 2 revenue from parts j sales (RV<sub>j</sub>);
- 3 net investment cost of machine (TC<sub>i</sub>);
- 4 processing cost of de-manufacturing machine i (PC<sub>1</sub>);
- 5 total supply of machine i (S<sub>1</sub>);
- 6 netted demand of part j (D<sub>j</sub>);

- 7 parts not utilized  $(W_{ij})$ ;
- 8 parts fulfillment  $(X_{ij})$ ;
- 9 machines required to fulfill the desired parts  $(Y_i)$ .
- 1 46. The system of claim 45 wherein the summation formula is:

$$\sum_{i} \sum_{j} (RV_{j} \bullet \{X_{ij}\}) - \sum_{i} (TC_{i} \bullet \{Y_{i}\}) - \sum_{i} (PC_{i} \bullet \{Y_{i}\})$$

- 1 47. The system of claim 30 wherein the machine supply information further comprises
- 2 the number of parts for each of the part types in each of the machine types.
- 1 48. The system of claim 30 wherein the machine supply information further comprises a
- 2 forecast of machines expected to be available at a predetermined time.
- 1 49. The system of claim 30 wherein the machine supply information further comprises
- an estimated number of parts for each of the part types in each of the machine types.
- 1 50. The system of claim 30 wherein the machine supply information further comprises
- 2 fair market value of the parts and fair market value of each of the machine types.
- 1 51. The system of claim 30 wherein the machine supply information further comprises
- 2 costs of de-manufacturing a specific machine type.
- 1 52. The system of claim 30 wherein the machine supply information further comprises
- data on the quality of parts yielded from de-manufacturing a specific machine type.
- 1 53. The system of claim 30 wherein the machine supply information further comprises

- 2 codes for options on each of the machine types.
- 1 54. The system of claim 30 wherein the machine supply information further comprises
- 2 quality of each of the machine types.
- 1 55. The system of claim 30 wherein the machine supply information further comprises
- 2 times for demanufacturing cycles of a particular machine type.
- 1 56. The method of claim1 wherein the machine supply information further comprises
- 2 times for refurbishing cycles of a particular machine type.
- 1 57. The system of claim 30 wherein the machine supply information further comprises
- 2 cost repairs for each of the part types.
- 1 58. Computer executable process steps operative to control a computer, stored on a
- 2 computer readable medium, for determining an optimal dismantling configuration
- 3 comprising the steps of:
- 4 determine a parts demand;
- 5 determine a machine supply;
- 6 configure the optimal dismantling configuration to meet the demand with a
- 7 particular number and a particular type of machine from the machine supply.
- 1 59. The computer executable process steps of claim 58 further comprising:
- 2 maintaining a database of machine supply information, the machine supply
- information including, for each of a plurality of machine types, a number of machines of
- 4 said machine type in the machine supply, a set of part types in said machine type, a
- 5 corresponding monetary value for each part type, and a number of each part type in said

| 6 | machine | type: |
|---|---------|-------|
|   |         |       |

- 7 configuring an optimal dismantling configuration of the machine supply to meet 8 the parts demand as a function of the machine supply information.
- 1 60. The computer executable process steps of claim 58 further comprising a step to
- determine at least a portion of the parts demand that cannot be satisfied from the machine
- 3 supply.
- 1 61. The computer executable process steps of claim 58 further comprising a step to
- determine at least a portion of the machine supply that is not economically justified for
- 3 dismantling.
- 1 62. The computer executable process steps of claim 61 wherein the economic
- 2 justification further comprises parts profit of a particular machine type being a
- 3 predetermined percentage greater than machine profit of a particular machine type.
- 1 63. The computer executable process steps of claim 62 wherein the parts profit is
- 2 determined by adding an average machine net investment book value to a total parts
- de-manufacturing expense to produce a sum, and subtracting the sum from a total valued
- 4 parts with external demands average fair market value.
- 1 64. The computer executable process steps of claim 62 wherein the machine profit is
- 2 determined by adding the average net investment book value of the particular machine
- 3 type to the total re-manufacturing expense for the particular machine type to produce a
- 4 sum, and subtracting the sum from an average fair market value for the particular
- 5 machine type.

- 1 65. The computer executable process steps of claim 61 wherein the economic
- 2 justification further comprises parts profit of a particular machine being greater than
- 3 machine profit of the particular machine.
- 1 66. The computer executable process steps of claim 65 herein the parts profit is
- determined by adding a machine average net investment book value to a total parts
- de-manufacturing expense to produce a sum, and subtracting the sum from a book value,
- 4 the book value equal to a total parts with internal demands average net investment book
- 5 value with a cost adjustment to the net investment book value.
- 1 67. The computer executable process steps of claim 65 wherein the machine profit is
- determined by adding the particular machine type average net investment book value to a
- total machine re-manufacturing expense to produce a sum, and subtracting the sum from
- an average fair market value of the particular machine type model.
- 1 68. The computer executable process steps of claim 58 further comprising steps to:
- determine a corresponding parts supply from the machine supply; and,
- 3 to match the corresponding part supply to the parts demand.
- 1 69. The computer executable process steps of claim 68 further comprising the step to
- 2 determine the corresponding parts supply by:
- determining the part types in a particular machine type;
- 4 determining the number of each of the part types in a particular machine type;
- 5 and,
- 6 multiplying the number of each of the part types in a particular machine type by
- 7 the number of machines for the particular machine type in the machine supply.

| 1  | 70. The computer executable process steps of claim 69 further comprising the steps to:  |  |  |
|----|---|--|--|
| 2  | generate a covered parts list and a not-covered parts list if the parts supply is less  |  |  |
| 3  | than the parts demand, and to configure the optimal dismantling configuration by:       |  |  |
| 4  | determining the optimal dismantling configuration of the machines in the                |  |  |
| 5  | covered parts list; and,  |  |  |
| 6  | determining the optimal dismantling configuration of machines to harvest                |  |  |
| 7  | from the not-covered list.  |  |  |
| 1  | 71. The computer executable process steps of claim 70 wherein the covered parts list is |  |  |
| 2  | 2 divided into an internal and an external list.  |  |  |
| 1  | 72. The computer executable process steps of claim 58 wherein the optimal dismantling   |  |  |
| 2  | configuration is determined by linear programming.                                      |  |  |
| 1  | 73. The computer executable process steps of claim 58 wherein the optimal dismantling   |  |  |
| 2  | configuration is determined by maximizing a summation formula for revenue considering   |  |  |
|    | a number of factors for a part j and a machine i.                                       |  |  |
| 1  | 74. The computer executable process steps of claim 73 wherein the factors are:          |  |  |
| 2  | revenue from parts j sales $(RV_j)$ ;   |  |  |
| -3 | net investment cost of machine (TC <sub>1</sub> );                                      |  |  |
| 4  | processing cost of de-manufacturing machine i (PCi);                                    |  |  |
| 5  | total supply of machine i (S <sub>1</sub> );  |  |  |
| 6  | netted demand of part j (D <sub>j</sub> );  |  |  |
| 7  | parts not utilized $(W_{ij})$ ;   |  |  |
| 8  | parts fulfillment $(X_{ij})$ ;  |  |  |

machines required to fulfill the desired parts  $(Y_i)$ .

- 1 75. The computer executable process steps of claim 74 wherein the summation formula
- 2 is:

$$\sum_{i} \sum_{j} (RV_{j} \bullet \{X_{ij}\}) - \sum_{i} (TC_{i} \bullet \{Y_{i}\}) - \sum_{i} (PC_{i} \bullet \{Y_{i}\})$$

- 1 76. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises the number of parts for each of the part types in each of the
- 3 machine types.
- 1 77. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises a forecast of machines expected to be available at a
- 3 predetermined time.
- 1 78. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises an estimated number of parts for each of the part types in
- 3 each of the machine types.
- 1 79. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises fair market value of the part types and fair market value of
- 3 the machine types.
- 1 80. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises costs of de-manufacturing a specific machine type.
- 1 81. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises data on the quality of parts yielded from de-manufacturing

- 3 a specific machine type.
- 1 82. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises codes for options on each of the machine types.
- 1 83. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises quality of each of the machine types.
- 1 84. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises times for demanufacturing cycles of a particular machine
- 3 type.
- 1 85. The method of claim1 wherein the machine supply information further comprises
- 2 times for refurbishing cycles of a particular machine type.
- 1 86. The computer executable process steps of claim 58 wherein the machine supply
- 2 information further comprises cost repairs for each of the part types.